
OR Petition 3

**PETITION FOR ADJUSTMENT TO NEED DETERMINATION TO
ADD SIX OPERATING ROOMS TO THE
PITT-GREENE OPERATING ROOM SERVICE AREA**

Submitted To:

Mr. Michael C. Tarwater, Chair
Acute Care Services Committee
c/o Medical Facilities Planning Section
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

DFS Health Planning
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AUG 03 2007

Medical Facilities
PLANNING SECTION

Petitioner

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I. Request

Pitt County Memorial Hospital, Inc. (PCMH) petitions for a special need determination in the 2008 State Medical Facilities Plan (SMFP) for six operating rooms (OR) in the Pitt-Greene Operating Room Service Area (P-G ORSA). The proposed 2008 SMFP shows a need for only 0.25 ORs in the P-G ORSA. A comprehensive analysis of the unique and special attributes of the geographic area and providers in the service area demonstrate the need for six or more operating rooms by 2010.

II. Rationale for the Proposed Adjustment

Background Information Regarding Petitioner

PCMH is a private, not-for-profit hospital that serves as the tertiary, regional referral hospital for eastern North Carolina. PCMH has over 750 acute care beds and has CON approval to build and operate over 100 additional acute care beds. PCMH has the only licensed inpatient and shared operating rooms in Pitt and Greene Counties. SSOP Services of Pitt, Inc. (SSOP) is an 8-bed freestanding ambulatory surgery center and a controlled affiliate of PCMH. SSOP operates the only licensed dedicated ambulatory surgery operating rooms in Pitt and Greene Counties. PCMH's Level I Trauma Center, Cardiovascular Center, Cancer Center, Children's Hospital, and Regional Rehabilitation Center are just a few examples of the highly specialized services that have been developed and expanded over the past 20 years in direct response to the primary/community care needs of Pitt and Greene Counties and the tertiary healthcare needs of the entire HSA VI region. PCMH's commitment to continue to provide

these specialized services and to sustain specialty designations such as the sole Level I Trauma Center and Level IV Neonatal unit in the eastern part of NC has impacted:

- the percentage growth of surgery cases at PCMH and SSOP relative to underlying population served,
- the number and mix of surgical case hours delivered by PCMH and SSOP,
- the average case time for inpatients and outpatients, and
- the capacity of existing operating rooms to manage a highly complex mix of surgical patients

These impacts are the basis for the evidence that the resource requirements for the Pitt-Greene OR service area differ from the requirements resulting from the application of the standard planning methodology for operating rooms.

PCMH & SSOP Are Sole Providers In The Pitt-Greene Operating Room Service Area

PCMH is the only tertiary regional referral center in NC located in a two-county OR Service Area. PCMH is also the sole provider of inpatient and shared operating rooms in the P-G ORSA. This attribute results in PCMH fulfilling a unique role as a community and specialized services hospital for Pitt and Greene Counties and a tertiary regional referral center for the entire HSA VI region. Greene County does not have a licensed facility providing operating rooms. Greene County is grouped with Pitt County to form the P-G ORSA since PCMH, the sole provider in Pitt County, serves the greatest number of surgical patients originating from Greene County. The majority of operating room service areas across NC has multiple providers of inpatient, shared and dedicated outpatient operating rooms. The majority of providers can therefore address any growth in surgical services demand and adjust to periodic constraints in capacity. The P-G ORSA has limited or no capacity to meet immediate or future needs for operating rooms because:

- 1) P-G ORSA has only one hospital and one free-standing dedicated ambulatory surgery facility,
- 2) The providers in the P-G ORSA historically, currently, and in the near term must serve not only as the sole primary care provider in these counties but also as the regional referral hospital for the 29 counties in HSA VI, and
- 3) There is no tertiary regional referral center located adjacent to the P-G ORSA that can address the demand for comprehensive surgical services that can only be met by the sole providers in the P-G ORSA.

The unique characteristics of the P-G ORSA geography and the sole providers in this OR service area make it impossible for PCMH to effectively manage the constraints in OR capacity without compromising the patients' access to timely, high quality, safe and cost effective care.

The SSOP, as the sole provider of licensed dedicated ambulatory surgery operating rooms in Pitt and Greene Counties, uses the American Society of Anesthesiologist classifications of physical status to assure surgical patients receive services in the appropriate

setting. Currently, additional specific criteria set by Medicare/Medicaid must be met in order for the provider to be reimbursed by Medicare/Medicaid. PCMH and SSOP continuously review the outpatient cases performed at the hospital to assure as many outpatients as possible and as appropriate are performed at the SSOP facility. These efforts have been especially intense in the past few years given the OR capacity constraints at PCMH. PCMH expects to see fewer gains in OR capacity using this approach since the majority of benefits in OR capacity due to this shift have already been realized.

Additionally, SSOP historical utilization data has demonstrated that this facility also serves more complex outpatients than any ambulatory surgery center in adjacent counties and in some cases in the entire region. Since SSOP is the sole provider of dedicated outpatient ORs in the P-G ORSA, it is limited in the type and complexity of patients it can serve.

PCMH & SSOP Serves Surgery Patients Beyond Pitt-Greene OR Service Area

The sole providers of licensed operating room services in the P-G ORSA have historically served a much broader service area than Pitt and Greene Counties. The table below compares the FY 2006 PCMH percent of patient origin from the P-G ORSA against the PCMH percent of patient origin from outside the P-G ORSA for acute care and surgery patients.

	Pitt & Greene Counties	Outside Pitt & Greene Counties
PCMH Patient Origin Inpatient & Outpatient Acute Care Admissions	41.9 %	58.1 %
PCMH Patient Origin Inpatient Surgery Cases	30.8 %	69.2 %
PCMH Patient Origin Outpatient Surgery Cases	41.5 %	58.5 %
PCMH Patient Origin Total Surgery Cases	35.8 %	63.2 %

The data above clearly shows that over 50% of PCMH's acute care admissions, inpatient surgery and outpatient surgery cases originate from outside Pitt and Greene Counties. PCMH, as the only tertiary regional referral center in eastern NC, serves all 29 counties of eastern NC and beyond, not just Pitt and Greene Counties. Even if other HSA VI counties have underutilized ORs, PCMH is still the only acute care provider in HSA VI who has the unique mix and availability of specialists and sub-specialist physicians, advanced centers of emphasis in cardiovascular, cancer, children's and surgical services and comprehensive services and technology to meet the demand for complex surgery services. Additionally,

PCMH is the only Level IV Neonatal facility and the only Level I Trauma Center in eastern NC. PCMH is also the only hospital that has a comprehensive Cardiovascular Center designed to address the unmet need for advanced cardiovascular care in a region with one of the nation's highest incidence of cardiac disease and mortality.

It is clear that the standard methodology used by the state to project future OR need does not recognize the unique attributes of PCMH in the P-G ORSA. The standard formula assumes that the number of surgical hours will increase or decrease in direct proportion to the change in the general population of the OR Service Area. This approach does not take into account the special role PCMH plays in eastern NC as the only tertiary, regional referral facility in HSA VI. Assuming surgical hours performed by PCMH using only Pitt and Greene Counties' general population change underestimates the volume and complexity of patients PCMH serves outside the P-G ORSA and severely underestimates projected growth.

Additionally, SSOP's historical and projected patient origin demonstrates that the SSOP serves a much broader region than just the P-G ORSA. The data table below clearly shows that over 54% of SSOP's cases originate from outside Pitt and Greene Counties. SSOP, as the only freestanding ambulatory surgery facility in the P-G ORSA, has provided services to every county in HSA VI and has served patients in 27 other counties in NC and patients from other states. Even if other HSA VI counties have underutilized dedicated ambulatory surgery ORs, SSOP has a unique and comprehensive mix of specialty surgery services. SSOP is the only freestanding ambulatory surgery center in eastern NC that offers all of the following specialty surgical services: dental, general surgery, gynecology, neurology, ophthalmology, oral, orthopedic, otolaryngology, plastics, podiatry, and urology. This comprehensive mix of surgical services makes SSOP a unique provider not only in the P-G ORSA but also in the eastern part of the state.

	Pitt & Greene Counties	Outside Pitt & Greene Counties
SSOP Patient Origin Outpatient Surgery Cases	45.7 %	54.3 %

The need for operating rooms in the P-G ORSA must consider the unique and special attributes of the geographic area served by PCMH and SSOP and the unique and special attributes associated with the services provided by the sole providers in the P-G ORSA. These attributes are not reflected in the standard methodology used to determine OR need.

Demand for ORs Exceeds Current and Projected OR Capacity In P-G ORSA

The unique and special attributes of the P-G ORSA geographic area and providers are the basis for the need for more operating rooms by 2010 in this service area. PCMH conducted an extensive analysis of the historical and projected utilization of sixteen service lines and

found that the demand for ORs in the P-G ORSA exceeds current and projected OR capacity. Current and projected OR need in the P-G ORSA is impacted by the following:

- Growth in OR volumes based on a service area beyond Pitt and Greene Counties,
- Growth in hours per case due to a unique population of surgery patients, and
- Operational capacity needed to serve a comprehensive mix of specialized surgical patients.

Wider Service Area

PCMH and SSOP both serve patients beyond the P-G ORSA. In order to recognize the impact of serving a wider service area, the population change rate used in the standard methodology must be adjusted. Using the overall population growth rate of eastern NC counties changes the P-G ORSA growth factor to no less than 0.80 % per year, which is higher than the 2-county service area population change rate used in the standard methodology. Assuming no other changes to the standard methodology, the OR need in the P-G ORSA would be over two ORs for this unique variable alone. However, additional variables must be considered before determining total OR need for the P-G ORSA. Below are the additional variables for consideration and statistics that support the need for six new ORs in the P-G ORSA in the 2008 SMFP.

Unique Population and Growth

The sole providers in the P-G ORSA serve a unique population of surgery patients, namely, surgery patients that originate from a region that state statistics clearly document has some of the highest rates of poverty, illiteracy, infant mortality rates, heart disease, cancer, diabetes, and pulmonary disease than any other region in the state. The growth in surgery cases and the length of time to complete more complex surgery cases at PCMH are directly impacted by the unique health status attributes of eastern NC. These differences have driven growth in surgery volumes at PCMH and SSOP at a rate nearly 50% higher than local and regional population growth. Other unique attributes of the geographic area include the presence of military bases, the double-digit growth in tourism and retirement communities in the eastern counties that are not fully represented in population statistics, and the fact that the eastern counties are aging at a faster rate than any other region in the state. These unique variables increase the numbers of surgical cases, the types of surgical cases, the OR hours needed to serve current and future patients, and the capacity needed to address a comprehensive mix of surgical patients.

Additionally, patients and physicians are demanding access to ORs during the week and during the early hours of the day. Operationally that means that the hospital must have sufficient OR capacity to do the majority of elective and non-elective cases Monday through Friday. Historical growth in surgical case volumes and surgical case times have exceeded current OR capacity. PCMH leadership is unable to meet the patients' and physicians' requests for OR time during the weekdays and on day shift. For the past three years PCMH has seen the number of routine, elective and scheduled cases that must be performed after 3pm climb to nearly 25% of the total number of surgical cases performed at PCMH. The

hospital has been forced to staff an average of seven ORs during the eight hours from 3pm-11pm every day just to meet the demand for routine, elective cases. Included in these numbers is one OR that must be staffed and available at all times in order for PCMH to meet its commitment as a Level I Trauma Center. Additionally, PCMH routinely staffs 3 ORs plus 1 trauma OR on Saturdays and additional ORs on Sundays to meet the demand for emergency and trauma cases, and in some cases, elective surgeries.

Capacity Needed to Address Demand Growth and Unique Mix of Surgical Patients

PCMH, due to its unique attributes as a sole provider of inpatient and shared ORs in the P-G ORSA, must have sufficient capacity to address the volume and unique mix of surgical patients both now and in the future. The standard methodology for determining OR need uses an occupancy rate of 80%. This occupancy rate does not recognize the unique factors impacting PCMH's need for additional OR capacity. PCMH provides a different level of surgical specialization that requires a different number, mix and type of ORs, staff, equipment, and supplies. These differences are needed to address the special attributes of tertiary and complex inpatients and outpatients who receive care in PCMH's ORs. There is less predictability in scheduling patients when a provider such as PCMH serves a wide range of specialty surgical services (e.g. cardiothoracic, ENT, GI, general surgery, gynecology, oncology, nephrology and transplant, orthopedics, reconstructive plastics, urology and vascular) and a broad range of patient acuity (simple, elective outpatient to extensive, unstable, complex trauma patient).

The current special rules for ORs assumes that inpatient ORs, operating at 80% capacity, can serve 2.4 inpatient cases per room per 9-hour day for 260 days per year and shared ORs can serve 3.2 cases per room per 9-hour day. Over 50% of PCMH's surgical cases are inpatients, which in and of itself is a unique factor for the majority of hospital-based ORs in NC. Based on the last 12 months of data, PCMH performed 10,161 inpatient surgery cases and 9,043 outpatient surgery cases and operated at over 85% capacity in its current 25 operating rooms. Additionally, during FY 2006 and in the last 12-month period, PCMH's average case time for outpatient surgery patients was greater than two hours. Operating at greater than 80% capacity, while at the same time providing care to ambulatory surgery patients whose average case times are 30% higher than the case time used in the standard formula for OR need, are direct indications of lack of sufficient OR capacity to meet current, much less future, needs.

PCMH's ORs are already operating above desired capacity. Additional attributes that make use of an 80% capacity assumption inappropriate for the providers in the P-G ORSA include:

- PCMH has over 140 active and consulting MDs with OR privileges. Additional capacity is needed to serve a large number of physicians providing specialized services.
- PCMH has twenty-four surgery residents and one surgery fellow. Insufficient OR capacity can severely limit opportunities for surgical medical education and research.

- The number of complex and highly specialized surgical cases at PCMH requires expanded OR capacity to manage turnaround times between complex, highly specialized cases and to separate contaminated cases from clean cases.
- By 2010, PCMH will have added over 100 new acute care medical-surgical beds. Since there is no OR need in the 2008 SMFP for the P-G ORSA, it is likely that PCMH will add these beds without being able to add a single operating room. Surgery patients' account for over 20% of PCMH's total patient admissions. Adding 100 new acute care beds without adding any ORs will result in significant gaps in services and will make it impossible for PCMH to sufficiently meet the needs of the P-G ORSA, much less the needs of a broader region.

Proposed Adjustment

The number and types of special attributes of the P-G ORSA and its providers demonstrate the need for additional ORs by 2010. Instead of attempting to associate OR need for each attribute, the petitioner recommends the following adjustments:

- Adjust growth factor to 0.080 for the P-G ORSA to reflect the population and demand growth of the wider region and the unique health status factors in PCMH's and SSOP's service areas. These factors drove historical volumes and will drive future demand.
- Adjust capacity assumption for the P-G ORSA to 75% to reflect the complexity and mix unique to this OR Service Area and the sole providers in the P-G ORSA.
- Adjust hours per outpatient case for PCMH's ambulatory surgeries to 2.0 hours per case to reflect current (and projected) average hours per ambulatory surgery case at PCMH.

These adjustments acknowledge the unique role played by the sole providers in this service area. The standard formula for projecting OR need cannot reflect the attributes unique to PCMH and SSOP. These attributes include population growth beyond the two-county service area, volume growth unique to a region with high incidence of chronic disease and mortality, the operational capacity necessary to serve the mix and complexity of surgical patients PCMH and SSOP serve, and OR hours needed to care for the large number of specialized and complex ambulatory surgeries at PCMH.

Applying the recommended adjustments above changes the OR need for P-G ORSA in the 2008 SMFP to six additional ORs using the following assumptions:

- ☐ PCMH inpatient surgery hours = 28,851.00 (unchanged)
- ☐ PCMH ambulatory surgery hours = 17,878 (2.0 hours/case x 8,939 cases)
- ☐ SSOP outpatient hours = 14,407.50 (unchanged)
- ☐ Total surgery hours for P-G ORSA = 61,136.5
- ☐ Projected surgical hours for 2010 (using new growth rate of 0.08) = 66,027.42
- ☐ Standard hours per OR per year = 1,755 (assumes 9hrs/day, 260 days/year, 75% capacity)
- ☐ Projected ORs in 2010 for P-G ORSA = 37.62
- ☐ Current OR in P-G ORSA after adjustments = 32
- ☐ Project ORs needed = 5.62 (Rounded = 6.0)

III. Adverse Effects if Requested Changes Are Not Made

The following list describes some of the adverse effects on the population of patients served by the sole providers in the P-G ORSA if additional ORs are not included in the 2008 SMFP:

- ❑ Patients will experience increased delays in access to the specialized services provided solely by PCMH as the regional referral facility for HSA VI. These delays could impact patient morbidity and mortality.
- ❑ Limited or no access to complex, high acuity tertiary surgical services due to limited OR capacity may result in patient's not receiving surgery care at all or patient's being forced to travel long distances to access similar services at other regional referral facilities.
- ❑ Physician recruitment has already been severely affected by the lack of OR capacity at PCMH and SSOP. Hours of operation have been extended to increase the number of hours of available OR time since PCMH continues to operate above reasonable OR capacity. As a result of this operational change, physician dissatisfaction has increased. Key physicians who provide highly specialized surgical services have left the facility. Physician recruitment, especially in the areas of surgical subspecialties needed at PCMH and for eastern NC to support the 24/7 demands of a Level I Trauma Center, has been extremely difficult. The obvious lack of OR capacity to handle current, much less future surgery demand, is severely affecting the delivery of vital surgical services at PCMH and SSOP.
- ❑ Extended hours of operation to manage the demand in surgical services has increased human resources, utilities and support services costs. Staff expenses such as shift differential and overtime have continued to rise in order to accommodate surgical case demand during the 3pm to 11pm shift.
- ❑ Routine and elective patients who remain without food or water prior to surgery risk having their case cancelled due to the lack of OR hours (capacity) available during the day shift to handle routine and emergent case volumes. A number of healthcare research groups are currently analyzing the impact on quality and safety for patients who have surgical procedures performed late in the day versus on day shift.
- ❑ Patients must remain in the hospital overnight because their elective or routine surgical procedure was performed late in the day or early evening due to limited OR capacity. This results in higher costs for the patient and hospital.
- ❑ PCMH will open and operate over 100 new acute care beds before 2010. If the 2008 SMFP does not include the need for more ORs, PCMH will be unable to support the increased surgical volume associated with the operation of such a large number of new acute care beds.

Continued application of the standard formula for determining OR need will not address the unique and special attributes of the P-G ORSA or its sole providers.

IV. Alternatives Considered But Not Feasible

Alternative # 1 – Modify existing resources

PCMH and SSOP cannot modify existing resources without continuing to compromise the availability and functioning of existing ORs. Procedures' volumes cannot be safely shifted to any other procedures' rooms without compromising patient safety or jeopardizing the delivery of other vital hospital services. The addition of operating rooms is contingent on CON approval and current SMFP shows no need for ORs in the P-G ORSA.

Alternative #2 - Reduce the number of ORs needed in the P-G ORSA

A need of less than six ORs in the P-G ORSA in the 2008 SMFP will significantly hinder the ability of both PCMH and SSOP to continue to serve the surgical patients who have historically used these facilities. Constructing or operating less than six more ORs will only increase the adverse effects noted above and may very well compromise the hospital's ability to sustain long-term its position as a regional referral center.

Alternative #3 - Wait until changes are made in the standard methodology

Future changes proposed by a special task force will not fully address the unique and special needs of PCMH and SSOP. Waiting until the changes are made in the 2009 SMFP will delay the construction or operation of additional ORs in the P-G ORSA and will severely compromise PCMH's ability to address the projected demand for surgery cases associated with the addition of over 100 new acute care beds beginning early 2009 through early 2010.

V. Evidence Proposed Change Would Not Result in Unnecessary Duplication of Health Resources

PCMH and SSOP are the sole providers in the P-G ORSA. Evidence presented in this petition demonstrates there is an unmet need today for ORs in the P-G ORSA given its unique attributes. No other provider in HSA VI can duplicate the scope and complexity of surgical services offered by PCMH or by SSOP. Patient waiting lists, extended operating room hours, and a growing volume of chronic health care issues in the P-G ORSA and beyond reflect an unmet need now and in the future. New ORs will address unmet need and not result in the unnecessary duplication of health resources. Projections of need presented in this petition and the proposed minor adjustments to the standard methodology do not result in any duplication of existing OR capacity.

Good Afternoon. My name is Walter Pofahl and I am currently the Chief of Staff at Pitt County Memorial Hospital. I am also a surgeon who works collaboratively with over 100 surgeons practicing in Pitt County. I am here today to implore the state to recognize the unmet need for operating rooms in the Pitt/Greene OR Service Area. I do not have a petition to submit today but I want to comment on a petition that I understand Pitt County Memorial Hospital plans to file by the August 3 deadline. This petition will highlight the unique and special issues that are impacting the need for more operating rooms in this OR service area.

As a practicing physician in this county, I have seen firsthand the problems that have resulted from not having enough operating rooms to handle the volume of patients we see at Pitt County Memorial Hospital, the sole hospital for these two counties and the only academic medical center in the 29-counties of eastern NC. We are routinely scheduling patients late in the afternoons and sometimes at night and on the weekends for elective cases. We have patients who must be NPO until late into the day because we do not have enough operating rooms to get their surgery done during the day shift. We have patients who are waiting days or weeks to get their surgery because of the lack of operating rooms.

Because Pitt County Memorial Hospital is an academic medical center, our inpatient and outpatient cases are routinely more complex and take longer than surgical cases done at other hospitals. We must have 24 hours, 7 days a week, and 365 days per year availability of operating rooms to meet our Level I Trauma requirements. We are the safety net for a huge, underserved, economically challenged area. We are the tertiary care center for eastern NC. This commitment to serve the entire region, not just Pitt and Greene counties makes us different and creates a unique situation when it comes to calculating operating room need. While this methodology to determine OR need may work for the average hospital or OR service area, it does not work for the Pitt/Greene OR service area because of the unique role Pitt County Memorial Hospital plays in this service area and in the entire eastern part of the state.

I speak for the more than 500 physicians on staff at Pitt County Memorial Hospital and over 100 surgeons practicing in this hospital when I state that we must have your support for the unique attributes of this service area that necessitates the need for new operating rooms in next year's plan.



PITT COUNTY MEMORIAL HOSPITAL
University Health Systems of Eastern CarolinaSM

REC'D @ JULY 24
2007 GREENVILLE
PUBLIC HEARING

Good Afternoon. My name is Steve Lawler and I am President for Pitt County Memorial Hospital. I am here today to let you know that Pitt County Memorial Hospital plans to file a special need petition by the August 3 deadline. This petition will outline the special and unique attributes of our geographic area and our institution that cannot be addressed by the standard methodology for determining operating room need in NC. This petition will challenge the state to look carefully at the reasons why we are different and to help us address what is clearly an unmet need for new operating rooms in our service area.

We applaud the efforts of the task force that studied the methodology for determining OR need. However, we are disappointed that no substantive changes to the formula for need were included in the 2008 draft SMFP. We eagerly anticipated the need for operating rooms would be clearly shown once the methodology were updated and improved. We cannot wait until the 2009 to have this need reflected in the SMFP. The patients that depend on our services cannot wait until 2009. We need these operating rooms in the 2008 plan in order for us to continue our commitment of care to this region as the only academic medical center, not to mention the only Level I Trauma Center and Level IV Neonatal Center.

We support our surgeons who clearly recognize the need for more operating rooms. We clearly have a number of attributes that make our situation different. We implore you to strongly consider our petition and to recognize the unique differences in this county and in the way in which Pitt County Memorial Hospital serves the eastern portion of our state.



Michael F. Rotondo, MD, FACS
Professor and Chair
Department of Surgery
Chief, Trauma and Surgical
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August 1, 2007

Mr. Michael C. Tarwater, Chair
Acute Care Services Committee
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Division of Health Services Regulation
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Raleigh, NC 27699-2714

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AUG 03 2007

Medical Facilities
PLANNING SECTION

RE: Petition For Adjustment to OR Need Determination in the Pitt-Greene OR Service Area

Dear Mr. Tarwater:

I am writing in my capacity as Professor and Chairman for the Department of Surgery and Chief of the Trauma and Surgical Critical Care Division at Pitt County Memorial Hospital and The Brody School of Medicine at East Carolina University (BSOM). As a physician leader in the Department of Surgery, I know first hand the dire need for additional operating rooms at Pitt County Memorial Hospital (PCMH) and the SurgiCenter Services of Pitt County (SSOP). The 2008 State Medical Facilities Plan (SMFP) must show need for at least six operating rooms or our service area will continue to experience the consequences of inadequate operating room capacity.

PCMH, as the only regional referral facility for all of eastern NC and the only Level I Trauma Center in the east, must have timely access to enough operating rooms to provide the services demanded by the hospital's and SSOP's broad service area. Currently, patients and physicians are experiencing significant constraints due to the limited number of operating rooms in the service area. These constraints include patient delays in access to specialized surgical services that can only be provided by PCMH and SSOP and that could impact patient morbidity and mortality. We have extended hours of operation to increase operating room capacity, but patients and physicians are very dissatisfied with the unintended consequences of operating these services late into the evening and on weekends. Our hospital must have adequate operating room capacity to continue to meet our commitment as the only Level I Trauma Center in the east.

As the sole providers in the Pitt-Greene Operating Room Service Area, PCMH and SSOP has seen an unprecedented growth in surgery cases, surgery case times and overall acuity in the inpatients and outpatients we serve. This growth is fueled in part by the special attributes of PCMH and SSOP. The standard state methodology for determining operating room need does not consider these unique characteristics. Additionally, PCMH will open and operate over 100 new acute care beds before 2010. If the 2008 SMFP does not include the need for more ORs, PCMH will be unable to support the increased surgical volume associated with the operation of such a large number of acute care beds

We need operating rooms in the 2008 plan in order for us to continue our commitment of care to this region. The patients that we serve need access to more operating rooms. Our staff surgeons remain committed to meeting the challenges ahead, but cannot continue to meet these needs if additional operating rooms are not approved in the SMFP. Moreover, we are experiencing significant challenges in physician recruitment due to the lack of operating room capacity. Currently, we are in active recruitment for additional specialists in the areas of cancer surgery, pediatric surgery, transplantation surgery, neuroendovascular surgery, urology, hand surgery, and plastic surgery. Without the ability to provide adequate operating rooms, we have little chance of attracting these specialists whom our patients so desperately need.

PCMH is filing a special need petition on August 3, 2007 that will outline the special and unique attributes of our geographic area and our institution that cannot be addressed by the standard methodology for determining operating room need in NC. This petition will challenge the state to look carefully at the reasons why we are different and to help us address what is clearly an unmet need for new operating rooms in our service area.

I represent over 100 surgeons who clearly recognize the need for more operating rooms. I implore you to strongly consider PCMH's petition and to recognize the unique differences in this county and in the way in which PCMH and SSOP serve the eastern portion of our state. Thank you.

Sincerely,

Michael F. Rotondo, MD

Michael F. Rotondo, MD, FACS
Professor and Chairman
Chief, Trauma and Surgical Critical Care
Department of Surgery, Brody School of Medicine



PITT COUNTY MEMORIAL HOSPITAL
University Health Systems of Eastern Carolina

August 1, 2007

Mr. Michael C. Tarwater, Chair
Acute Care Services Committee
c/o Medical Facilities Planning Section
Division of Health Services Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Petition For Adjustment to OR Need Determination in the Pitt-Greene OR Service Area

Dear Mr. Tarwater:

I am writing in my capacity as Chief of Staff for Pitt County Memorial Hospital (PCMH) and Associate Professor and Chief of the Division of Advanced Laparoscopic, Gastrointestinal and Endocrine Surgery for The Brody School of Medicine at East Carolina University (BSOM). As a physician leader for the hospital and a surgeon, I am well aware of the urgent need for additional operating rooms at Pitt County Memorial Hospital (PCMH) and the SurgiCenter Services of Pitt County (SSOP). The 2008 State Medical Facilities Plan (SMFP) does not show any need for operating rooms for the Pitt-Greene Operating Room Service Area. We need at least six operating rooms in the 2008 SMFP or our service area will not be able to meet the current or growing demand for specialized surgical services in eastern North Carolina.

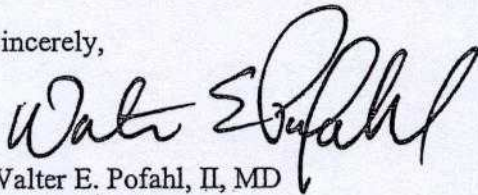
I work collaboratively with over 100 surgeons practicing in Pitt County. I have participated in numerous discussions over the past few years during which physicians and patients have noted the severe shortage of operating room capacity in this area. This shortage has been attributed to a number of factors that are not only unique to the region that PCMH and SSOP serve, but also to the highly specialized nature of the surgical services offered only by these facilities. These factors are not and cannot be captured in the standard methodology the state uses to determine operating room need. PCMH will file a special need petition on August 3, 2007 explaining the adjustments that must be made in order for the SMFP to accurately represent the needs in this service area.

As a practicing physician in this county, I have experienced firsthand the problems patients and physicians have had to deal with as a result of not having enough operating rooms to handle the volume, complexity and unique mix of patients seen at PCMH. The problems include delays in surgery cases, extended stays for patients, lost physicians due to the inability to support practice demands, and ineffective recruitment due to limited operating room capacity. We cannot continue to sustain our commitments to this region as the only Level I Trauma Center and Children's Hospital if we do not get additional operating rooms.

As the sole hospital for Pitt and Greene Counties and the only academic medical center in the 29-counties of eastern NC we cannot just assume that other facilities can meet this need. PCMH's inpatient and outpatient cases are routinely more complex and take longer than surgical cases done at other hospitals. We must have 24 hours a day, 7 days a week, and 365 days per year availability of operating rooms to meet our Level I Trauma requirements. We are the safety net for a huge, underserved, economically challenged area. These attributes alone create unusual and special need for operating rooms at PCMH and SSOP. While this methodology to determine OR need may work for the average hospital or OR service area, it does not work for the Pitt/Greene OR Service Area.

I speak for the more than 500 physicians on staff at PCMH and over 100 surgeons practicing in this hospital when I state that we must have your support for the unique attributes of this service area that necessitates the need for six new operating rooms in next year's plan. Thank you.

Sincerely,



Walter E. Pofahl, II, MD
Chief of Staff
Pitt County Memorial Hospital
Associate Professor and
Chief of the Division of Advanced Laparoscopic,
Gastrointestinal and Endocrine Surgery

/sc



Eastern Carolina ENT Head & Neck Surgery
A Constituent of University Health Systems of Eastern Carolina

August 2, 2007

Physicians

Paul S. Camnitz, MD
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Mr. Michael C. Tarwater, Chair
Acute Care Services Committee
c/o Medical Facilities Planning Section
Division of Health Services Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Petition For Adjustment to OR Need Determination in the Pitt-Greene OR
Service Area

Dear Mr. Tarwater

I am writing in my capacity as Associate Chief of Surgery at Pitt County Memorial Hospital (PCMH), the Medical Director of SurgiCenter Services of Pitt (SSOP), as well as a professor in the Department of Surgery at The Brody School of Medicine at East Carolina University (BSOM). I am acutely aware of the urgent need for additional operating rooms and operating room capacity at PCMH and SSOP. We have been discussing for some time the need for additional operating rooms at SSOP and PCMH. PCMH, the only level I trauma center in eastern North Carolina, serves a rapidly growing local community and a broader 29 county service area. We need at least six additional operating rooms in the 2008 State Medical Facilities Plan (SMFP) to meet current and projected demand.

I work closely with over 100 surgeons who are practicing in Pitt County. The medical staff is united in their support for additional operating rooms. Although I understand that there may be the illusion of excess capacity in the region due to underutilization of operating rooms at other facilities, this really is just that, an illusion. The services that are provided here cannot be duplicated at any other facility in the region. As a result, PCMH will file a special need petition on August 3, 2007, explaining the adjustments that are necessary for the SMFP to accurately represent our service area. Again, as the only providers in this 29 county area that offer a unique level of surgical service, we are unable to meet

August 2, 2007

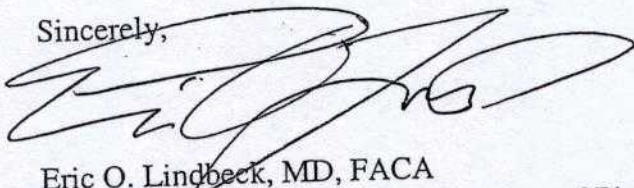
Petition for Adjustment to OR Need Determination in the Pitt-Greene OR Service Area

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our current patient volume demands. Unless we are able to expand our operating room capacity appropriately, it is certain that we will face additional hardships in the future that primarily impact our patients. Our service is not just to Pitt County but also to all patients living in eastern North Carolina.

Our surgeons represent some of the most highly trained and specialized specialists and sub-specialists available. And, as a private practicing ENT specialist myself, I not only understand the unique issues facing our academic medical center, but I also understand the demands that must be met to support facilities who serve the private physicians that practice in this community. I ask that you strongly consider PCMH's petition. I hope you will agree with us – agree that we have a need that will help us meet our commitment to the people of this region.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Lindbeck', with a large, stylized flourish at the end.

Eric O. Lindbeck, MD, FACA
Medical Director, SurgiCenter Services of Pitt, Inc.
Clinical Professor of Surgery
Associate Chief of Surgery
The Brody School of Medicine
East Carolina University